



March 10, 2011

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2010-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2010, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr
Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (5 copies via overnight delivery)
Scott Elliott
James H. Jeffries IV

CERTIFICATION

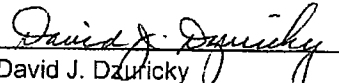
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

March 9, 2011

Date Signed



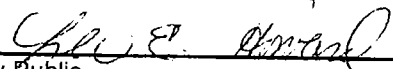
David J. Dzuricky
Senior Vice President and CFO

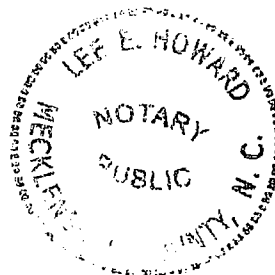
March 9, 2011

Date Signed

Subscribed and Sworn to before me this

9 day of March, 2011.


Notary Public



My Commission Expires _____ **My Commission Expires 10/29/2015**

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2010
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 178,832,673	\$ (25,920,343)	152,912,330
Other Operating Revenues	960,425	-	960,425
Total Operating Revenue	<u>\$ 179,793,097</u>	<u>\$ (25,920,343)</u>	<u>\$ 153,872,755</u>
Operating Expenses			
Cost of Gas	\$ 110,144,189	(28,068,017)	82,076,172
Other Operation & Maintenance	26,822,820	68,943	26,891,763
Depreciation	12,019,551	784,904	12,804,456
General Taxes	6,767,508	(57,436)	6,710,071
State Income Taxes	1,216,892	(207,898)	1,008,994
Federal Income Taxes	5,760,443	926,570	6,687,013
Amort. of ITC	(45,255)	-	(45,255)
Total Operating Expenses	<u>\$ 162,686,148</u>	<u>\$ (26,552,935)</u>	<u>\$ 136,133,214</u>
Net Operating Income	<u>\$ 17,106,949</u>	<u>\$ 632,592</u>	<u>\$ 17,739,541</u>
Interest on Customer Deposits	(143,062)	-	(143,062)
Amortization of Debt Redemption Premium	-	-	-
AFDUC	117,695		117,695
Customer Growth	37,321	1,392	38,712
Net Operating Income For Return	<u>\$ 17,118,903</u>	<u>\$ 633,984</u>	<u>\$ 17,752,886</u>
Original Cost Rate Base			
Plant in Service	\$ 393,556,317		\$ 393,556,317
Accumulated Depreciation	(166,112,558)		(166,112,558)
Net Plant in Service	\$ 227,443,759	\$ -	\$ 227,443,759
Add:			
Construction Work in Progress	6,100,986		6,100,986
Materials and Supplies	15,207,502		15,207,502
Cash Working Capital	935,847	(24,174)	911,672
Deduct:			
Customer Advances for Construction	-		-
Customer Deposits	4,413,016		4,413,016
Accumulated Deferred Income Taxes	49,788,496		49,788,496
Unclaimed Funds	90,774		90,774
Total Original Cost Rate Base	<u>\$ 195,395,808</u>	<u>\$ (24,174)</u>	<u>\$ 195,371,634</u>
Return on rate base	<u>8.76%</u>		<u>9.09%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2010
South Carolina
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			After Accounting and Proforma Adjustments					
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	663,547,914		663,547,914	39.99%	\$ 78,134,985	6.6360%	2.6500%	
2. Common Equity	995,612,068		995,612,068	60.01%	117,236,649	10.7200%	6.4300%	5,185,038
3. Total	<u>\$ 1,659,159,982</u>	<u>0</u>	<u>\$ 1,659,159,982</u>	<u>100.00%</u>	<u>195,371,634</u>		<u>9.09%</u>	<u>\$ 17,752,886</u>

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight (5 copies) upon:

Nanette S. Edwards
Carey Stites
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
nsedwar@regstaff.sc.gov
cstites@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email and U.S. Mail upon:

Scott Elliott
Elliot & Elliott, P.A.
721 Olive Street
Columbia, South Carolina 29205
sellott@elliottlaw.us

David Carpenter
Managing Director Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 10th day of March, 2011.

s/ James H. Jeffries IV
James H. Jeffries IV